



## Decision notice

### **The Council for Licensed Conveyancers application for approval of changes to regulatory arrangements relating to its Adjudication Panel Rules [2015]**

The Legal Services Board (LSB) has granted an application from the Council for Licensed Conveyancers (CLC) for approval of amendments to its Adjudication Panel Rules.

This decision notice sets out the basis for the LSB granting the application and the decision taken, including a brief description of the changes.

The LSB is required by Part 3 of Schedule 4 to the Legal Services Act 2007 (the Act) to review and grant or refuse applications by approved regulators to make alterations to their regulatory arrangements. The CLC is an approved regulator.

This decision notice sets out the decision taken, including a brief description of the changes. The notes at the end of this notice explain the statutory basis for the decision. The chronology for the LSB's handling of this application is also set out at the end of this decision notice.

<b>Purpose of notice</b>
To grant an application from the CLC for approval of the Adjudication Panel Rules [2015].
<b>Main changes being made by the CLC</b>
<ul style="list-style-type: none"><li>• Removes the requirement for the Chair of the Adjudication Panel to be legally qualified</li><li>• Removes specific numeric requirement for the lay members of the Adjudication Panel to exceed CLC Lawyer Members by one; the requirement for a lay majority remains</li><li>• Includes technical amendments which reflect changes introduced to the CLC's statutory framework by the coming into force of sections 86 to 89 and Schedules 19 and 20 of the Deregulation Act 2015.</li></ul>
<b>Why the LSB is granting the application in full</b>
<p>The changes are primarily technical alterations to the Adjudication Panel Rules. The change to the composition of the Adjudication Panel will allow for a Panel where the lay members exceed the CLC Lawyer Members by more than one.</p> <p>Having fully assessed the application against the refusal criteria in the Act, the LSB sees no reason to refuse this application.</p>

## **Proposed changes**

1. The CLC has transferred the functions of its Investigation Committee and its Discipline and Appeals Committee to the Adjudication Panel (the Panel). Currently the Panel comprises a Chair, up to two Deputy Chairs and up to six Panel members. The Chair and Deputy Chairs are currently required to have a ten year general qualification (defined by the Courts and Legal Services Act 1990). The total number of lay members under the present arrangements must exceed by one the number of CLC Lawyer Members.
2. The proposed changes to the CLC Adjudication Panel Rules are as follows:
  - Removal of the requirement for the Chair of the Adjudication Panel to be legally qualified
  - Relaxation of the requirement for the Adjudication Panel to comprise lay members who exceed by one the number of CLC Lawyer Members
  - Include technical amendments which reflect changes introduced to the CLC's statutory framework by the coming into force of sections 86 to 89 and Schedules 19 and 20 of the Deregulation Act 2015.
3. The CLC wishes to remove the requirement in the rules for the Chair or Deputy Chair to be legally qualified since it is considered that this excludes suitably experienced candidates (e.g. tribunal chairs) from being considered as Chair or Deputy Chair of the Adjudication Panel.
4. Removing the specific requirement for lay members to exceed by one CLC Lawyer Members will allow more flexibility in the composition of Adjudication Panels.

## **Key issues considered in the assessment of the application**

5. These are primarily technical alterations to the Adjudication Panel. No significant issues of substance were raised in the assessment. However, the LSB did raise queries with the CLC on matters of drafting and definition of terms in the proposed alterations, which the CLC addressed, amending the proposed rules accordingly.

## **Decision**

6. The LSB has considered the CLC's application against the criteria in paragraph 25(3) of Schedule 4 to the Act. It considers that there is no reason to refuse this application; accordingly, the application is granted.
7. The Annex to this decision notice contains the amendments to the regulatory arrangements approved by the LSB.

## **Chronology**

- The LSB confirmed receipt of an application from CLC on 30 June 2015.
- The 28 day initial decision period for considering the application ends on 27 July 2015.
- This decision notice is effective from 24 July 2015.

- The decision notice will be published on our website on 27 July 2015.

**Richard Moriarty, Chief Executive**  
**Acting under delegated authority granted by the Board of the Legal Services Board**  
**24 July 2015**

*Notes:*

1. The LSB is required by Part 3 of Schedule 4 to the Act to review and grant or refuse applications by approved regulators to make alterations to their regulatory arrangements.
2. Paragraph 25(3) of Schedule 4 to the Act explains that the LSB may refuse an application setting out a proposed change to the regulatory arrangements only if it is satisfied that
  - (a) granting the application would be prejudicial to the regulatory objectives
  - (b) granting the application would be contrary to any provision made by or by virtue of this Act or any other enactment or would result in any of the designation requirements ceasing to be satisfied in relation to the approved regulator
  - (c) granting the application would be contrary to the public interest
  - (d) the alteration would enable the approved regulator to authorise persons to carry on activities which are reserved legal activities in relation to which it is not a relevant approved regulator
  - (e) the alteration would enable the approved regulator to license persons under Part 5 [of the Act] to carry on activities which are reserved legal activities in relation to which it is not a licensing authority, or
  - (f) the alteration has been or is likely to be made otherwise than in accordance with the procedures (whether statutory or otherwise) which apply in relation to the making of the alteration.
3. The designation requirements referred to in paragraph 2(b) above are set out in paragraph 25(4) of Schedule 4 to the Act and are
  - (a) a requirement that the approved regulator has appropriate internal governance arrangements in place
  - (b) a requirement that the applicant is competent, and has sufficient resources to perform the role of approved regulator in relation to the reserved legal activities in respect of which it is designated, and
  - (c) the requirements set out in paragraphs 13(2)(c) to (e) of Schedule 4, namely that the regulatory arrangements are appropriate, comply with the requirements in respect of resolution of regulatory conflict (imposed by sections 52 and 54 of the Act) and comply with the requirements in relation to the handling of complaints (imposed by sections 112 and 145 of the Act).
4. In accordance with paragraphs 20(1) and 23(3) of Schedule 4 to the Act, the LSB has made rules<sup>1</sup> about the manner and form in which applications to alter regulatory arrangements must be made. Amongst other things, the rules highlight the applicant's obligations under section 28 of the Act to have regard to the Better Regulation Principles. They also require applicants to provide information about each proposed change and details of the consultation undertaken.
5. If the LSB is not satisfied that one or more of the criteria for refusal are met, then it must approve the application in whole, or the parts of it that can be approved.

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<sup>1</sup> Rules for Rule Change Applications – Version 2 (November 2010)



## The CLC's Adjudication Panel Rules 201~~13~~<sup>53</sup>

Made on ~~2-September-2013~~[DATE] by the Council for Licensed Conveyancers with the approval of the Legal Services Board pursuant to sections 24, 24A, 25 and 26 and paragraph 5 of ~~s~~Schedule 3 and paragraphs 3 and 4 of ~~s~~Schedule 6 to the Administration of Justice Act 1985, Part II of ~~s~~Schedule 8 to the Courts and Legal Services Act 1990 and section 20 and Part 3 of ~~s~~Schedule 4 to the Legal Services Act 2007.

### 1. Citation, Commencement, Interpretation and Saving

1.1 These Rules may be cited as the CLC's Adjudication Panel Rules 201~~13~~<sup>53</sup> and shall come into effect on ~~30-September-2013~~[DATE] on which date the CLC's Adjudication Panel ~~(No 2) Rules 201~~13~~~~ and the ~~Licensed Conveyancers' Discipline and Appeals Committee Rules 2009~~ shall cease to have effect save that:

(a) no prior decision of the Investigating Committee, the Discipline and Appeals Committee nor the Adjudication Panel shall be invalidated by this repeal,

(b) any case referred for determination in accordance with the Discipline and Appeals Committee Rules 2009, ~~or~~ the CLC's Adjudication Panel (No 2) Rules 201~~1~~ ~~or the Adjudication Panel Rules 2013~~, which has not been finally determined on the coming into force of these Rules, shall continue and shall be determined in accordance with these Rules, and

(c) the terms of office of the Adjudication Chair and members of the Adjudication Panel appointed in accordance with the CLC's Adjudication Panel Rules 201~~1~~, ~~or~~ the CLC's Adjudication Panel (No 2) Rules 201~~1~~ ~~or the Adjudication Panel Rules 2013~~ shall continue in effect until expiry of their terms of office unaffected by the coming into force of these Rules. These persons shall be deemed to be appointed in accordance with these Rules.

1.2 In these Rules: -

Unless the contrary intention appears, words importing the masculine gender include the feminine, words in the singular include the plural and words in the plural include the singular;

"the 1985 Act" the Administration of Justice Act 1985;

"the 1990 Act" the Courts and Legal Services Act 1990;

“the 2007 Act” the Legal Services Act 2007;

“the Adjudication Chair” the chair of the Adjudication Panel;

“the Adjudication Procedure Rules” the rules made by the CLC currently in force for the conduct of disciplinary proceedings referred to the Adjudication Panel for determination;

“the Adjudication Panel” the committee established by the CLC by which the functions conferred on the Investigating Committee and the Discipline Appeals Committee under Part II of the 1985 Act are to be discharged;

“the CLC” the Council for Licensed Conveyancers established under section 12 of the 1985 Act;

“CLC Body” a Licensed Body or a Recognised Body;

“CLC Lawyer” a Licensed Conveyancer or a Licensed CLC Practitioner;

“Licensed Conveyancer CLC Lawyer Member” an individual appointed as a member to the Adjudication Panel who is a Licensed Conveyancer, who or has at any time held a licence to practise as a Licensed Conveyancer CLC Lawyer, or any individual who is or has at any time been a Manager of a CLC Body;

“CLC’s Rules” the CLC’s Code of Conduct and any other codes or rules made by the CLC;

“Company” has the meaning given by section 1(1) of the Companies Act 2006;

“Disciplinary Order” in the case of a Licensed Conveyancer CLC Lawyer an order made against him pursuant to section 24A or 26 of the 1985 Act (other than an order which provides only for the payment of costs by him);

“Lay Member” a person appointed as a member of the Adjudication Panel, who is not eligible to sit as a Licensed Conveyancer Member CLC Lawyer Member;

“Licensed Body” a body regulated by the CLC which provides legal services to the public and in which a non-lawyer is a Manager and/or owner as provided at s.72 of the 2007 Act;

“Licensed CLC Practitioner” a person, other than a Licensed Conveyancer, holding a licence in force issued by the CLC under s.53 of the 1990 Act to provide probate and other legal services regulated by the CLC, but not conveyancing services;

“Licensed Conveyancer” a person who holds a licence in force issued by the CLC under Part II of the 1985 Act to provide conveyancing and other legal services regulated by the CLC;

“Licensed Conveyancer Member” an individual appointed as a member to the Adjudication Panel who is a Licensed Conveyancer, who has at any time held a Licence to practise as a Licensed Conveyancer or any individual who is or has at any time been a Manager of a CLC Body;

“Limited Liability Partnership” ~~a body corporate formed by being incorporated under the Limited Liability Partnerships Act 2000, recognised by the CLC under s.32 of the 1985 Act to provide Reserved Legal Activities~~ a body corporate formed by being incorporated under the Limited Liability Partnerships Act 2000;

“LLP Member” a member of a Limited Liability Partnership;

“Manager” in relation to a CLC Body, means a person who is

(a) a member of the CLC Body, if the CLC Body is a Company and its affairs are managed by its members;

(b) a director of the CLC Body, if the CLC Body is a Company and paragraph (a) does not apply;

(c) a partner, if the CLC Body is a partnership;

(d) a LLP member, if the CLC Body is a Limited Liability Partnership;

(e) a member of its governing body, if the CLC Body is an unincorporated body (other than a partnership); and

(f) a ~~Licensed Conveyancer~~ CLC Lawyer, if sub-paragraphs(a)-(e) do not apply and the affairs of the CLC Body are not managed by another ~~Licensed Conveyancer~~ CLC Lawyer;

“Panel Member” a person appointed as a member of the Adjudication Panel in accordance with rule 3.1;

“Party”

(a) the CLC (and includes the CLC’s Representative); or

(b) the Respondent;

“Recognised Body” a body corporate or incorporate recognised by the CLC either as a Conveyancing Services Body or as a CLC Practitioner Services Body under s.32 of the 1985 Act to provide Regulated Services to the public ~~a body recognised by the CLC under section 32 of the 1985 Act to provide Regulated Services to the public (“Recognised Body” is an entity regulated by the CLC and includes, without limitation, a partnership, a sole principal, a limited company and a Limited Liability Partnership);~~

“Regulated Services” all of the legal activities – both Reserved Legal Activities and non-reserved services - which the CLC authorises/permits the CLC Lawyer or CLC Body within the terms of the licence to provide and which are therefore be regulated by the CLC ~~conveyancing services and such other services, including probate services, regulated by the CLC;~~

“Respondent” the ~~Licensed Conveyancer~~ CLC Lawyer, Manager, employee or CLC –Body about whom the reference is made or treated as made;

“Standing Orders” the Standing Orders made for the Adjudication Panel by the CLC pursuant to paragraph 9(2) of ~~s~~ schedule 3 to the 1985 Act.

Other expressions shall have the meanings given by the 1985 Act, the 1990 Act and the 2007 Act.

## 2. Delegation of Powers

2.1 In accordance with paragraph 12(2) of ~~ss~~ schedule 8 to the 1990 Act the functions conferred on the Investigating Committee under Part II of the 1985 Act are to be discharged by the Adjudication Panel which for these purposes is a committee established by the CLC under paragraph 12 of ~~ss~~ schedule 8 to the 1990 Act.

2.2 In accordance with paragraph 12(2) of ~~ss~~ schedule 8 to the 1990 Act the functions conferred on the Discipline and Appeals Committee under Part II of the 1985 Act are to be discharged by the Adjudication Panel which for these purposes is a committee established by the CLC under paragraph 12 of ~~ss~~ schedule 8 to the 1990 Act.

2.3 The Adjudication Panel shall consider or deal with such other matters specifically delegated to or referred to them by the CLC, the Council of the CLC or by any other committee of the CLC.

2.4 The ~~Adjudication~~ Panel may arrange its own scheme of delegation provided that any Adjudication Chair, Deputy Chair or member participating in the preliminary investigation of a case does not act in relation to that case as a member of the Adjudication Panel determining that case.

### 3. Membership of the Adjudication Panel

3.1 The CLC shall in accordance with rule 4 appoint the Adjudication Chair, up to two Deputy Chairs and up to six Panel Members none of whom shall be a member of the Council of the CLC.

3.2 The Lay Members shall exceed ~~by one~~ the number of ~~Licensed Conveyancer~~ CLC Lawyer Members.

~~3.3 The Adjudication Chair and each of the Deputy Chairs must have a ten year general qualification within the meaning of section 71 of the 1990 Act.~~

3.34 If he resigns his office as Adjudication Chair, subject to these Rules, the Adjudication Chair may remain a member of the Adjudication Panel.

3.45 If the Adjudication Chair resigns his office or is suspended under rule 8.1, the CLC may in its absolute discretion appoint a new Adjudication Chair:

- (a) from among the Deputy Chairs or the Panel Members; or
- (b) in accordance with rule 4.

### 4. Appointment of Adjudication Chair and Panel Members

4.1 The posts of the Adjudication Chair, Deputy Chairs and Panel Members shall be advertised in such manner as the CLC shall determine.

4.2 Other than as provided at rule 3.45, the appointment of the Adjudication Chair, Deputy Chairs and Panel Members shall be made by an appointment panel, comprising no less than three persons, chosen by the CLC after considering the advice of the Chief Executive Officer of the CLC.

4.3 A person shall not be eligible for appointment to the Adjudication Panel if:



(a) he is, or has been within the immediately preceding 18 months, the Chair or an employee or member of the CLC;

(b) he has been convicted of a criminal offence involving fraud, dishonesty, deception or violence or an indictable offence unless the conviction is spent within the meaning of the Rehabilitation of Offenders Act 1974;

(c) he is or has been an undischarged bankrupt, is or has been the subject of a bankruptcy restrictions order or has made a composition or arrangement with his creditors unless:

(i) the bankruptcy order is annulled either on the ground that he ought not to have been adjudged bankrupt, or that his debts have been paid in full, on the date of the annulment;

(ii) in the case of a composition or arrangement with his creditors, he pays his debts in full on the date on deeds which payment is completed or on the expiration of five years from the date on which the terms of the composition or arrangement are fulfilled.

(d) if he lacks capacity (within the meaning of the Mental Capacity Act 2005) and powers in relation to sections 15-20 or section 48 of that Act have been exercised in relation to him;

(e) the CLC is satisfied that, in respect of the following, the circumstances of the particular case make that person ineligible for appointment to the Adjudication Panel:

(i) a Disciplinary Order has been made against him, unless more than six years have passed since the Order was made;

(ii) the CLC's power of intervention have been exercised against him or his practice in accordance with part 1 of [sschedule 5](#) to the 1985 Act, against a Recognised Body of which he is a Manager in accordance with [sschedule 6](#) to the 1985 Act or against a Licensed Body of which he is a Manager in accordance with [sschedule 14](#) to the 2007 Act unless in any case more than six years have passed since such powers were exercised; or

(iii) the CLC is satisfied that as a member of another profession an adverse determination has been made against him by a disciplinary tribunal or committee established to regulate the activities and the conduct of members of his profession (other than an order which provides only for the payment of costs by him), unless more than six years have passed since the Order was made and if he has been disqualified from holding a licence or practising certificate (as the case may be) for a period longer than six years, his licence or practising certificate has been restored.

## 5. Tenure of Office

5.1 Subject in each case to rules 5.2, 6.1 and 9.1 the term of office of each Adjudication Chair, Deputy Chair and Panel Member appointed takes effect on the date specified in the letter of appointment for a term of office not exceeding four years.

5.2 An Adjudication Chair, Deputy Chair or Panel Member shall be eligible subject to review for re-appointment, once only, for a further term of office not exceeding four years.

## 6. Vacancies

6.1 A vacancy in the office of Adjudication Chair, Deputy Chair and Panel Member shall automatically occur and his right to hold office shall cease immediately:

- (a) on his death;
- (b) on receipt by the CLC of his written resignation;
- (c) on the expiry of his term of office as a Panel Member;
- (d) on his appointment as Chair or member of the CLC;
- (e) if appointed as a Lay Member, he becomes a ~~Licensed Conveyancer~~ CLC Lawyer or a Manager of a Recognised Body or a Licensed Body regulated by the CLC;
- (f) if, without the consent of ~~the Adjudication Chair or (in the absence of the Adjudication Chair) a Deputy Chair~~ a duly authorised individual, he fails to attend more than three consecutive meetings of the Adjudication Panel;
- (g) if he is convicted of a criminal offence involving fraud, dishonesty, deception or violence or an indictable offence;
- (h) if he is adjudged bankrupt, is the subject of a Bankruptcy Restrictions Order or makes a composition or arrangement with his creditors unless:
  - (1) the bankruptcy order is annulled either on the ground that he ought not to have been adjudged bankrupt, or that his debts have been paid in full, on the date of the annulment;
  - (2) in the case of a composition or arrangement with his creditors, he pays his debts in full on the date on which payment is completed or on the expiration of five years from the date on which the terms of the deeds of composition or arrangement are fulfilled.
- (i) if he lacks capacity (within the meaning of the Mental Capacity Act 2005) and powers in relation to sections 15-20 or section 48 of that Act have been exercised in relation to him;
- (j) if, being a ~~Licensed Conveyancer Member~~ CLC Lawyer Member,
  - (1) a Disciplinary Order is made against him;
  - (2) his licence is suspended ~~pursuant to section 24 of the 1985 Act~~; or
  - (3) the CLC's powers of intervention are exercised against him in accordance with Part I of Schedule 5 to the 1985 Act, against a Recognised Body of which he is a Manager in accordance with schedule 6 to the 1985 Act or against a Licensed Body of which he is a Manager in accordance with schedule 14 to the 2007 Act;
- (k) if as a member of another profession, an adverse determination is made against him by a disciplinary tribunal or committee (other than an Order which provides only for the payment of costs by him);
- (l) if he has failed to disclose to the CLC any matter referred to in rule 4.3 subparagraphs (b), (c), (d) or (e).
- (m) if he is removed from office under rule 9.1.

6.2 In the event that a vacancy occurs by reason of the operation of rule 6.1, the CLC shall inform the Adjudication Chair, or one of the Deputy Chairs (if the office of the Adjudication Chair has been vacated).

6.3 Where a vacancy occurs, the CLC will as soon as possible make an appointment in accordance with rule 4.

## **7. Remuneration**

7.1 The CLC will pay to the Adjudication Chair, Deputy Chairs and Panel Members attendance fees and expenses reasonably incurred, such fees to be determined by the CLC and to be reviewed periodically.

## **8. Suspension of the Adjudication Chair, a Deputy Chair or a Panel Member**

8.1 The Adjudication Chair, Deputy Chair or Panel Member is suspended with immediate effect in the event that: -

- (a) he is charged with any offence referred to in rule 6.1(g); or
- (b) he is served with a bankruptcy petition or issues a bankruptcy petition on his own behalf; or
- (c) he receives notice of any application against him for an order under rule 6.1(k).

8.2 Any suspension imposed under rule 8.1 shall automatically be revoked in the following circumstances: -

- (a) under sub-paragraph 8.1(a) in the event that the charge is dismissed, discharged, discontinued or otherwise withdrawn;
- (b) under sub-paragraph 8.1(b) if the bankruptcy petition is disposed of without a declaration of bankruptcy being made against him;
- (c) under sub-paragraph 8.1(c) in the event that the application is withdrawn or dismissed or the only order made is for the payment of costs.

## **9. Removal of the Adjudication Chair, a Deputy Chair or a Panel Member**

9.1 The Council [of the CLC](#) may by a majority remove the Adjudication Chair, a Deputy Chair or a Panel Member who has breached the Standing Orders or the Code of Conduct applicable to the Adjudication Chair, Deputy Chairs and Panel Members.

## **10. Composition of hearings of the Adjudication Panel**

10.1 In consultation with the CLC the Adjudication Chair shall direct the date, time and place for the hearing under the Adjudication Panel Procedure Rules 2013 in consultation with the CLC when the Adjudication Panel shall meet to determine proceedings.

10.2 The CLC shall as soon as reasonably possible send notice of the hearing to each member of the Adjudication Panel nominated by the Adjudication Chair to attend the hearing and to the appropriate Parties in the manner prescribed by the Adjudication Panel Procedure Rules 2013.

10.3 When the Adjudication Panel direct that a new hearing date be fixed to hear or continue to hear and determine the matter before them, the Adjudication Chair shall determine the date, time and place for the hearing in consultation with the CLC.

10.4 The CLC shall as soon as reasonably possible send notice of the hearing to every member of the Adjudication Panel who is to attend the hearing and to the appropriate Parties in the manner prescribed by the applicable procedure rules.

10.5 If a case has been part heard on the expiry of the term of office of one or more members of the Adjudication Panel under rule 6.1(c) (but for no other reason), that Panel Member may with the agreement of the Adjudication Chair be treated as remaining a member of the Adjudication Panel and hear the case until its conclusion even though for all other purposes that individual has ceased to be a Panel Member.

10.6 If an individual sitting as a member of the Adjudication Panel ceases to be a Panel Member under rule 6.1 (other than as a result of the operation of rule 6.1(c)) where a case has been part heard and as a result the hearing is not quorate, the Adjudication Chair may nominate another Panel Member to attend the hearing to enable the hearing of that case to continue until its conclusion provided he is satisfied that it is in the interests of natural justice.

## 11. Standing Orders

11.1 Save as modified by these Rules and by the Adjudication Panel Procedure Rules 2013 as provided for under rule 10.1, proceedings of the Adjudication Panel shall be governed by the Standing Orders.

11.2 The CLC's regulatory arrangements (and any subsequent arrangements) shall have this order of precedence:

- (a) the Adjudication Panel Rules 201~~5~~<sup>3</sup>;
- (b) the Adjudication Panel Procedure Rules 2013;
- (c) the Adjudication Panel Standing Orders ~~2013~~;
- (d) the Adjudication Panel Terms of Reference.

11.3 Where there is a conflict or inconsistency between the regulatory arrangements listed in rule 11.2, the provisions of those named higher in the list are preferred over those listed lower in the list.

11.4 Where there is a conflict or inconsistency between the provisions of any of the CLC's regulatory arrangements (other than those listed at rule 11.2) and the regulatory arrangements listed at rule 11.2, the provision of the CLC's regulatory arrangements (other than those listed at rule 11.2) is preferred.

11.5 Where there is a conflict or inconsistency between the provisions of any statute or statutory instrument and any of the CLC's regulatory arrangements, the provision of the statute or statutory provision is preferred.

## 12. Penalty

12.1 The amount of any penalty required to be paid must be fair and proportionate, and

(a) in the case of a penalty imposed on a CLC Body under paragraph 4(2)(b) of ~~ss~~chedule 6 to the 1985 Act, alternatively under the CLC's Licensed Body (ABS) Licensing Framework, must not exceed £250 million; and

(b) in the case of a penalty imposed on a ~~manager~~Manager or employee of a CLC Body under section 26(2) of and paragraph 4(2B)(a) of ~~ss~~chedule 6 to the 1985 Act, alternatively under the CLC's Licensed Body (ABS) Licensing Framework, must not exceed £50 million.

### 13. Disciplinary Powers of the CLC as an Approved Regulator

13.1 Rule 13 applies when the Respondent is regulated by the CLC acting as an Approved Regulator.

13.2 The Adjudication Panel must carry out a preliminary investigation of any case in which it is alleged that:

(a) a ~~Licensed Conveyancer~~CLC Lawyer:

(i) has (whether as a ~~licensed conveyancer~~CLC Lawyer or not) been convicted by any court in the United Kingdom of a criminal offence which renders him unfit to practise as a ~~licensed conveyancer~~CLC Lawyer; or

(ii) has, while holding a licence in force under Part II of the 1985 Act, failed to comply with any condition to which that licence was subject; or

(iii) has failed to comply with any rules made by the ~~Council~~CLC under Part II of the 1985 Act;

(b) a Recognised Body:

(i) has (while a Recognised Body) been convicted of a criminal offence which renders it unsuitable to be recognised under section 32 of the 1985 Act; or

(ii) has failed to comply with any rules applicable to it by virtue of section 32 of the 1985 Act; or

(iii) has (while a Recognised Body) failed to comply with a condition subject to which its recognition has effect;

(c) a ~~manager~~Manager or employee of a Recognised Body who is not a ~~Licensed Conveyancer~~CLC Lawyer has failed to comply with any rules applicable to him by virtue of section 32 of the 1985 Act;

with a view to determining whether such case ought to be referred for hearing and determination by the Adjudication Panel.

13.3 The Adjudication Panel may make the following orders or directions

(a) in respect to a ~~Licensed Conveyancer~~CLC Lawyer

(i) an order revoking any licence held by the ~~licensed conveyancer~~CLC Lawyer;

(ii) an order directing that the ~~licensed conveyancer~~CLC Lawyer shall be disqualified (either permanently or during a specified period) from holding a licence under this Part;

(iii) an order suspending any licence held by the ~~licensed conveyancer~~CLC Lawyer;

(iv) an order that any such licence shall have effect subject to such conditions as may be specified in the order;

(v) an order directing the payment by the ~~licensed conveyancer~~CLC Lawyer of a penalty which must be fair and proportionate, and not exceed £50 million to be forfeited to Her Majesty;

(vi) an order reprimanding the ~~licensed conveyancer~~CLC Lawyer;

(b) in respect of a Recognised Body

(i) an order revoking the recognition under section 32 of the 1985 Act of that Recognised Body;

(ii) an order directing the payment by that Recognised Body of a penalty which must be fair and proportionate, and not exceed £250 million, to be forfeited to Her Majesty;

(iii) an order reprimanding that Recognised Body;

(iv) an order that the recognition of that Recognised Body under section 32 is to have effect subject to such conditions as may be specified in the order;

(c) in respect of the ~~manager~~Manager or employee of a Recognised Body

(i) an order directing the payment by the ~~manager~~Manager or employee of a penalty which must be fair and proportionate, and not exceed £50 million, to be forfeited to Her Majesty;

(ii) an order requiring the CLC to consider taking such steps as the Adjudication Panel may specify in relation to the ~~manager~~Manager or employee;

(iii) an order requiring the CLC to refer to an appropriate regulator (as specified at paragraph 4(2C) of ~~ss~~chedule 6 to the 1985 Act) any matter relating to the conduct of the ~~manager~~Manager or employee.

13.4 The Adjudication Panel may make such order as it thinks fit as to the payment of costs by the CLC or the Respondent in accordance with s.24A(2), s.26(2A) or ~~ss~~chedule 6 of the 1985 Act.

13.5 ~~Unless otherwise directed by the First Tier Tribunal, a Respondent may within 28 days after the determination has been made under rule 13.3 appeal to the First Tier Tribunal. A Respondent may within 28 days after the determination made under rule 13.3 appeal to the High Court.~~

#### **14. Disciplinary Powers of the CLC as a Licensing Authority**

14.1 Rule 14 applies when the Respondent is regulated by the CLC acting as a Licensing Authority.

14.2 The Adjudication Panel may in respect of:

(a) a Licensed Body:

(i) reprimand the body;

(ii) direct the issue of a licence subject to conditions it may specify;

(iii) direct the payment of a fine which is fair and proportionate, not exceeding £250million;

(iv) suspend the licence of the body;

(v) revoke the licence of the body;

(vi) intervene;

(b) a Licensed Body owner:

(i) place conditions on the owner's material interest;

(ii) object to the owner's material interest, and initiate the application to the High Court to divest the owner of their material interest;

(iii) direct the payment of a fine which is fair and proportionate, not exceeding £50 million;

(c) a Head of Legal Practice (HoLP) or Head of Finance & Administration (HoFA):

(i) require the CLC to take such steps as it may specify in relation to the HoLP or HoFA;

(ii) direct the payment of a fine which is fair and proportionate, not exceeding £50 million;

(iii) withdraw approval of the individual for the role;

(iv) disqualify the individual from a role within a Licensed Body;

(d) a ~~manager~~Manager or employee:

(i) direct the payment of a fine which is fair and proportionate fine, not exceeding £50 million;

(ii) require the CLC to take such steps as it may specify in relation to the ~~manager~~Manager or employee;

(iii) require the CLC to refer to an appropriate regulator any matter relating to the conduct of the ~~manager~~Manager or employee;

(iv) disqualify the individual from a role in the Licensed Body.

14.3 Unless otherwise directed by the First Tier Tribunal, a Respondent may within 28 days after the determination has been made [under rule 14.2](#) appeal to the First Tier Tribunal.